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August 24, 2007

TASK ID# 1980

Mr. Tom Munson  
Department of Natural Resources  
Utah Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

AUG 28 2007

**RE: M/001/067: Western Utah Copper Co.: NOI Amendment to allow Additional Earth Work for Future Facilities Construction**

Dear Tom:

Enclosed is an Amendment application submitted by JBR on behalf of Western Utah Copper Company (WUCC) to add approximately 11 acres disturbance to the facilities area in order to prepare the land for future construction activities. This additional disturbance is planned for the area west of and adjacent to the mill/concentrator area. WUCC would like to go ahead with earthwork in this area, in preparation for additional facilities (SX/EW) to be added under a forthcoming NOI Revision. No additional facilities work will ensue until the Revision is approved by the Division, for the additional structures in the facilities area.

The enclosed application includes form MR-REV, which lists each page that is to be replaced by a revised page in the existing, approved NOI. This also includes a copy of two maps that have been revised. In light of the limited addition of disturbance acreage to the permit area, and the current bond in place, no additional reclamation costs have been provided. The currently disturbed acreage onsite at WUCC is minimal, in comparison to their bonded acreage. Our intention is to account for all additional acreage and the necessary reclamation costs in the forthcoming NOI Revision, which will include the additional structures and activities in the facilities area.

If you have any questions, feel free to give me a call at 943-4144. Thank you.

Sincerely,

Linda Matthews  
Project Manager  
JBR Environmental Consultants, Inc.

Cc: Mark Dotson, WUCC

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## Application for Mineral Mine Plan Revision or Amendment

<b>Operator:</b> <u>WESTERN UTAH COPPER COMPANY</u>			
<b>Mine Name:</b> <u>OK &amp; HIDDEN TREASURE MINES</u>		<b>File Number:</b> <u>M/ 001 / 067</u>	
<small>Provide a detailed listing of all changes to the mining and reclamation plan that will be required as a result of this change. Individually list all maps and drawings that are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise or amend the existing Mining and Reclamation Plan. <b>Include page, section and drawing numbers as part of the description.</b></small>			
<b>DETAILED SCHEDULE OF CHANGES TO THE MINING AND RECLAMATION PLAN</b>			
			<b>DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED</b>
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<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	PAGE 7
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I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments and obligations, herein.

Linda Matthews  
Print Name

Linda Matt  
Sign Name, Position

Project Manager  
August 24, 2007  
Date

**Return to:**

State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Phone: (801) 538-5291 Fax: (801) 359-3940

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<b>FOR DOGM USE ONLY:</b>	
File #: <u>M/</u> / <u></u>	
Approved: _____	
Bond Adjustment: from (\$) _____	
to \$ _____	

**AUG 28 2007**

## **Introduction/Project Background**

Western Utah Copper Company (WUCC) owns and controls approximately 1,050 acres of private land, 1,280 acres of State School Trust land, and about 4,000 acres of BLM unpatented mining claims seven miles northwest of Milford in Beaver County, Utah (Figure1). Mining in the Milford District dates back to 1872, with intermittent production of copper as well as iron and tungsten. Copper occurs with iron, molybdenum, gold and silver in pipes and skarns related to Tertiary intrusions. Much of the copper, particularly in the pipe-like deposits, has been oxidized and is amenable to leach extraction. The area has been developed over the years under a series of owner/operators including, most recently, Nevada Star Resource Corporation (Nevada Star).

In August 1998, the Utah Division of Oil, Gas and Mining (DOGM) issued tentative approval to Nevada Star under DOGM permit M/001/039 for the OK Mine Project, which consisted of a 57-acre heap leach pad, a 2-acre SX/EW plant, the re-mining and processing of stockpiled copper ore, mining and deepening of the OK pit, and development of the Mary I pit directly to the east of the OK pit. The total affected acreage under that plan was 277 acres. Bonding was not provided under this permit, and in 2002, Nevada Star requested that DOGM convert the permit back to a Small Mine Operation (SMO) permit. DOGM did so on November 12, 2002, converting the Large Mine Operation (LMO) permit under M/001/039 to S/001/039 with a small mine status and limitations.

An amendment to the above plan was submitted under a 1998 Plan of Operations for the Milford District Copper Project, which covered approximately 174 acres on private and Federal (BLM) lands in portions of Sections 17, 21 & 22, T. 27 S., R. 11 W., Beaver County, Utah. A FONSI was issued by the BLM for this plan.

A small mine notice was submitted March 4, 2005 by WUCC for the initial earthwork to prepare for construction of the concentrator building. The SMO is included within this LMO.

Further processing and concentrating may take place in the future, and to this end additional land will be cleared and leveled at the processing site to allow for additional facility construction. Other than the facilities described in this NOI, no other buildings will be constructed or operated without submittal and approval of a NOI Revision to the DOGM.

The road between the West OK stockpile and the processing facility is the same one that is currently being used to haul fill material to the mill site. The road from the mill southeast coinciding with the proposed power line and connecting with SR 21 would be used for access to the mill and by trucks hauling concentrate only. This road would not be graded outside of its current width and utility, except for the 1.7 miles closest to the mill, that also serves as the Hidden Treasure haul road. Concentrates would be shipped by truck to a toll smelter.

### **Processing Operations**

The processing facilities will be located on private land owned by WUCC. The surface disturbance in the facilities area is expected to be approximately 20 acres (4.6 of which are approved under the SMO), which will allow for concentrator/mill construction, parking, ore storage, ore crushers, shipping area, storage tanks, access to the haul road and tailings area, culinary water storage and septic system, a gas-fired generator facility, and an area to be cleared and leveled for future processing expansion.

Electrical power for the processing operations will be produced on site using natural gas-fired generators. A gas line will be installed by Questar to provide natural gas for the generators. This line will be installed starting in October 2005, and will be completed by start of mill operation. Portable 5 to 7kW generators onsite may provide initial power for construction of the mill.

### **Mill/Concentrator**

The initial earthwork on the concentrator/mill site is ongoing under an existing Utah DOGM SMO permit (S/001/067) approved March 2005. To prepare the site, the small amount of existing topsoil in this area is being salvaged and deposited on the existing topsoil storage pile located approximately 1800 feet south of the concentrator site. Portions of this area have previously been disturbed by past operators who used this site to stockpile and ship ore. Some blasting will be done to meet foundation excavation requirements. Last, some material from the existing OK Mine waste dumps are being used as fill to bring the existing sloping ground up to a level grade. It is estimated that 5,000 cubic yards of material will be moved from the waste rock dumps to the mill site and/or staging area during this process, in combination with excavated fill from the mill footings. The surface disturbance as a result of these activities is expected to be 4.6 acres, all of which is approved in the SMO (**Appendix B**).

The concentrator itself will be constructed as soon as possible in conjunction with the SMO and during the approval of the LMO. The concentrator facility will consist of a crushing and grinding area with a dirt/gravel floor, and a flotation mill and recovery section, with a concrete floor. The entire facility will have underlying concrete footings. Figures 7a and 7b show the building's floor plan, foundation plan, longitudinal section, and cross section. The facility will also include chemical storage and conditioning tanks. The concentrating process will involve crushing, grinding, flotation, and filter pressing, resulting in a concentrate and a dry (non-free draining) tailing. Concentrate will be direct-shipped to an offsite toll smelter. It is anticipated that the mill operations (along with the dry tailings disposal) will be permitted by rule under Utah's Ground Water Quality Protection Rules, because of their *de minimus* impact. The process of securing this determination is underway with the Utah Division of Water Quality (DWQ) and will be finalized prior to operations.

Unless economic conditions dictate otherwise, ore from the existing West OK stockpile will then be removed at a rate of 1,200 TPD, under the same mining schedule as the Hidden Treasure operations. The total amount of ore removed and processed from the West OK stockpile will be approximately 500,000 tons. This will add an additional 1.25 years to the operations, for a total life of mine of 3.25 years.

#### **106.5 Existing Soil Types, Location of Plant Growth Material**

Because much of the area to be disturbed by WUCC has been previously disturbed by mining and related activities, there is little recoverable topsoil available for salvage. Some topsoil was previously stockpiled by Nevada Star and is located south of the proposed mill site.

The soils in the Hidden Treasure area were described by the BLM (2002) as shallow, gravelly, and stony loams. Topsoil testing in 2002 for this area showed the soil as sandy loam, with a range of about 13 to 20 percent coarse rock fragments. The soils were characterized as being 'normal soils' (pH about 8.5 or less), soluble salt level of 4.0 or less, and a SAR of 13 or less. These soils are considered suitable for vegetation establishment (See **Appendix D**).

The previous LMO for the OK area indicated that soil depth was approximately 12 inches. There is no Natural Resource Conservation Service (NRCS) soil survey for this area.

For stripping operations at the processing facilities area, topsoil will be being salvaged where possible and stored within the facilities area. Soil will be salvaged where possible along the margins of the Hidden Treasure pit and in the expansion area for the Hidden Treasure dump. The expansion area, which includes 39 acres, would yield approximately 62,920 cubic yards of topsoil, if it is gathered to 12 inches depth. This topsoil will be gathered in approximately 50 to 100-foot swaths in advance of dump expansion, or on a 6-month basis as needed, to keep the cleared land to a minimum and lessen the opportunities for noxious weeds to take hold in this area.

#### **106.6 Plan for Protecting and Re-Depositing Existing Soils**

The available alluvium and topsoil will be mined primarily by loader (CAT 990) and haul trucks (CAT 773D). CAT 631 scrapers may also be used, especially for salvaging of topsoil. These soils will be stockpiled either near the Hidden Treasure pit or near the OK mine and processing facility. The piles will be temporarily seeded with an interim vegetation seed mix listed below, to protect them from wind erosion. Each pile will be surrounded by a small earthen berm to prevent runoff and to contain eroded materials.



**Table 1 – Estimated Disturbance and Reclamation for Hidden Treasure and OK Operations**

Area	BLM Disturbance		Private Disturbance		SITLA (State) Disturbance		Total Disturbance		Proposed Reclamation
	Existing	Proposed	Existing	Proposed	Existing	Proposed	Net New	Total for Project Area	
<b>Rocky Range</b>									
Hidden Treasure Pit	10	6.6	1.9	1.5	0	0	8.1	20	0
Hidden Treasure Dump	12.5	31.1 Post-mining 52 Post-reclamation	0	0	0	0	39.6	52.1	52.0
Topsoil stockpile	1.2	1.2 (all overlap)	0	0	0	0	0	1.2 (all overlap)	1.2
Hidden Treasure haul road (to mill)	Within Co. prescriptive ROW (3 mi., 32' wide)	10.2 (3 mi., widened to 60' wide)			0 Within ROW (75 mi., at 32' wide)	2.5 acres Within ROW (75 mi., widened to 60' wide; )	12.7	12.7	12.7
<b>Beaver Lake Mtns.</b>	Existing	Proposed	Existing	Proposed	Existing	Proposed			
(south part of) West O K Stockpile		0	4.9	5.7	0	0	0	5.7 (all overlap)	5.7
Facilities Area + fill source under SMO	0	0	6.8 (existing staging area) + .6 fill source	20.6 (6.8 acres is staging area) + 6 (all overlap)	0	0	10.8	20.6	20.6
Tailings Pad	0	0	0	15.0	0	0	13.8	15.0	15.0
Topsoil stockpile/ Ponds	0	0	9.4	0	0	0	0	9.4	9.4
NET NEW Proposed (minus overlap)		BLM 56.4		Private 1.4		State 2.5	TOTAL NEW Disturbance 87.3		
<b>TOTALS</b>	23.7	56.4	32.4	8.9	0	2.5			116.6
Project Area	BLM 80.1		PRIVATE 52.1 acres		STATE 2.5 acres		TOTAL PERMIT AREA 136.7 acres		RECLAMATION 116.6 acres

## **VII. R647-4-110 Reclamation Plan**

### **110.1 Current Land Use and Post Mining Land Use**

The operations area has been used historically for mining and exploration as well as livestock grazing. The area also provides limited habitat for wildlife. No grazing has occurred in recent times.

The BLM completed an archeological inventory for the Nevada Star mining plan in 1998 (BLM 1998); no eligible sites were found. If previously undocumented cultural resource sites are encountered during the course of the operation, activities will cease in the affected area and SHPO will be notified.

At the present time, the operations area is inactive, except for activities allowed under the current SMO.

#### Post Mining Land Use

The proposed post-mining land use would be as open space and wildlife habitat.

### **110.2 Reclamation of Roads, Highwalls, Slopes, Dumps, Etc.**

At the conclusion of the operations, all trash, oil, fuel, equipment, debris and structures would be removed from the site and the site prepared for reclamation. All process facility buildings including the concentrator would be dismantled and disposed of off site. All tanks, containers, etc. associated with the processing system would also be removed from the site, including any chemicals, wastes, or other materials they may contain. These components and materials would either be recycled or disposed of in accordance with their characteristics as called for by Federal and state solid waste disposal statutes and rules. Any remaining concrete in the vicinity of the processing facilities would be broken up, buried on site, and covered with 3-5 feet of fill (obtained from the waste rock used in foundation preparation for the concentrator building prior to topsoil application. These areas would be graded to blend with adjacent surroundings prior to topsoil application.

Should mining activity cease prior to completion of additional planned facilities, the areas that are stripped and graded in preparation for these additional future facilities, would be regraded to blend with topography, topsoil replaced, and the areas seeded using broadcast methods.

Water supply and monitor wells would be plugged and abandoned in accordance with the requirements of the State Engineer.

The waste rock dumps would be regraded to 3H:1V. The waste rock dumps would be ripped to a depth of 24 inches after the topsoil is spread over the dumps surface and regraded side slopes. Then the surfaces would be reseeded using broadcast methods.

Prior to placement of topsoil on the tailings repository, the final five-foot-thick waste rock cover would be hauled from the Hidden Treasure dump (prior to dump regrading) and placed over the entire tailings surface, including the side slopes. Then the rock-covered surface would be topsoiled followed by ripping on the contour to a depth of 24 inches.